

Ad hoc press release

Binder+Co gets off lightly in the crisis – sales revenues and EBIT below the high levels of last year

Gleisdorf, November 17, 2009. Binder+Co has not escaped the effects of the crisis, but all in all was able to perform relatively well in a clearly depressed market. The considerable fluctuations in demand, which characterised the first half-year, were also in evidence during the third quarter of 2009. Moreover, although single machine and spare part business continued to be satisfactory and was stable in all three segments, it remained at a level some 10% below that of the previous year. By contrast, the effects of the recession have become increasingly apparent in the system and plant business areas. Unfortunately, the desired recovery failed to materialise and at the same time, an evident price war commenced with regard to the few remaining plant projects open to tender. Consequently, order intake, sales revenues and EBIT were down on the levels of the preceding year, although these were exceptionally high.

Karl Grabner, a member of the Binder+Co Management Board: *“In the first three quarters of 2009, large volume business in the Processing Technology Segment was hardest hit by the recession. However, owing to the high order backlog from the beginning of the year and relatively solid single machine and spare parts business, we have escaped relatively lightly. Nonetheless, the intensification of the competition means that the result quality achieved to date will hardly be possible in years to come.”*

Sales revenues and EBIT down on the level of the preceding year

Despite the solid order backlog at the beginning of the year, during the first three quarters of 2009 the Binder+Co Group was unable to maintain its **sales revenues** at the level achieved in 2008 (Q1–Q3/2008: EUR 51.03 million) and these fell to EUR 48.04 million. The main reason for this decline was a marked drop in order intakes in the system and plant business area, which could not be compensated for by single machine and spare part business, even though this remained largely stable.

During the period under review, foreign sales revenues amounted to 84.7% (Q1–Q3/2008: 87.9%) of total sales revenues, which underlined the major significance of export business. With a 31.7% share of sales revenues, western Europe (excluding Austria) represented the largest market. Africa, where the delivery of equipment for a major environmental technology project was concluded in the first half of 2009, provided 16.2% of sales revenues, the Americas 16.0%, Asia including Australia 13.5% and eastern Europe (CEE and GUS) 7.3%.

At EUR 4.75 million, **EBIT** was slightly lower than in the preceding year (Q1–Q3/2008: EUR 4.93 million), but by contrast, at 9.9% the EBIT margin was up on the figure for 2008.

Order intake clearly down on the record level for 2008

At EUR 32.56 million, total order intake in the first three quarters of 2009 was well below the record figure for 2008 (Q1–Q3/2008: EUR 73.03 million), but nonetheless again roughly corresponded with the solid level of 2006/2007. The order intakes received mean that use of own capacity in the fourth quarter of 2009 is secured.

Outlook

As demand in the market segments served by Binder+Co varied greatly during the first three quarters of 2009 and above all, large volume system and plant business lagged behind the levels of the preceding year, the Binder+Co management assumes that in spite of the solid order cushion from 2008 consolidated Group sales revenues and results in the 2009 financial year will be 10–15% below those of the previous year.

Should a turnaround not occur in the system and plant business area, from a current viewpoint business in the 2010 financial year may prove to be even weaker and thus bring a decline in sales revenues to the level of 2007. However, owing to the drastic shortening of the planning horizon caused by the predominance of single machine and spare part business, at this juncture a well-founded forecast is only possible to a very limited extent.

Binder+Co share price remains stable

During the period under review, the price of the Binder+Co share, which is listed on the mid market of the Vienna Stock Exchange, moved within a range of EUR 9.25 to EUR 11.65. At the end of October, the price stood at EUR 11.49. With effect from September 21, 2009, the share was accepted into mid market continuous trading.

The Binder+Co Group

Binder+Co specialises in the manufacture of machinery and plants in the areas of processing technology, recycling and in the case of its subsidiary, Statec Binder GmbH, the packaging of primary and secondary raw materials (coal, iron ore, sand, etc., as well as used glass, waste paper and plastic waste, etc.). The Group operates a production plant in Gleisdorf, Austria.

Binder+Co has been listed on the Vienna Stock Exchange since December 2006 and in June 2007 was one of the first companies to be admitted to the newly created mid market segment. It has been authorised to participate in regulated free trading since July 2007. With an average workforce of 236, in 2008 Binder+Co had sales revenues amounting to EUR 73.45 million and EBIT of EUR 7.20 million. The company therefore had a solid EBIT margin of 9.8%.